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President: Mr. KOVANDA (Czech Republic)
(Vice-President)

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued)

(b) TRADE AND DEVELOPMENT

Mr. KELL (United Nations Conference on Trade and Development (UNCTAD)) recalled that the Secretary-General of UNCTAD had briefed the Council on the outcome of the ninth session of UNCTAD at the opening of the high-level segment of the Council and said that a further report on that session and on subsequent actions taken by the UNCTAD Trade and Development Board would be given in the Second Committee of the General Assembly.

The Trade and Development Board had met during the current week and had established three commissions: the Commission on Trade in Goods and Services and Commodities, the Commission on Investment, Technology and Related Financial Issues and the Commission on Enterprise, Business Facilitation and Development. It had also been decided that the first substantive session of the Trade and Development Board would take place from 7 to 18 October and would take up three themes: investment, including a possible multilateral framework relating to investment and its implications for development; lessons from the East Asian development experience; and implementation of the Programme of Action for the Least Developed Countries for the 1990s.

A special event was scheduled for 10 October 1996 when ministers, corporate executives and non-governmental organizations would meet informally under the auspices of the Trade and Development Board to discuss investment and development issues, including the possible multilateral framework.

Mr. SYARGEEU (Belarus) said that because of the enormous cost of eliminating the consequences of the Chernobyl disaster, Belarus was experiencing particular difficulties in adapting to the new economic conditions and would need a fairly long period of transition to a market economy. It intended to

review the list of beneficiary countries of its national system of preferences and hoped for the understanding of its trading partners in that process.

Full and equal participation in the new international trade system, whose focal point was the World Trade Organization (WTO), could greatly facilitate the transition of the countries of Central and Eastern Europe from centrally planned economies to market economies. The industrialized countries must take a more flexible approach to admitting newly independent States to WTO. The removal of trade restrictions on Belarusian goods being vital for the Belarusian economy, the early entry into force of the agreement signed with the European Union on partnership and cooperation was essential. His Government welcomed the approval of the agreement by the parliaments of Denmark, Spain and the United Kingdom and called on the 12 other member countries of the European Union to follow suit.

Mr. FEDORTCHENKO (Russian Federation) said that the integration of developing and other countries into the global trading system was essential for the achievement of stable economic growth and sustained development. The ninth session of UNCTAD had confirmed the importance of UNCTAD. His delegation welcomed the decisions on the reform of the intergovernmental machinery and the secretariat of UNCTAD and on the strengthening of UNCTAD coordination with WTO, the Bretton Woods institutions and other multilateral bodies on the basis of comparative advantage, which would help strengthen the viability of the United Nations system as a whole.

Foreign trade played a major role in the implementation of market changes in the Russian Federation. Unfortunately, there were still discriminatory barriers which prevented Russian goods and services from reaching the markets of developed countries. Furthermore, organizational, technical and political difficulties greatly hindered the efforts of the Russian Federation to develop its foreign trade potential in order to complete the restructuring of the economy and reduce the social pressures associated with the transition period. The work of UNCTAD and the International Trade Centre in analysing the key problems of international trade and in providing technical assistance to the Russian Federation and other countries with economies in transition in strengthening their export potential and joining WTO should be intensified.

His delegation supported the proposal by the representative of Japan to allocate a portion of the resources saved through the restructuring of UNCTAD to

the expansion of technical assistance, thereby benefiting developing countries and countries in transition.

Mr. KOZIY (Observer for Ukraine) said his delegation hoped that the full implementation of the agreements reached in the Uruguay Round would contribute to the further liberalization of international trade and the establishment of an open and transparent trading system which would, in particular, facilitate the access to world markets of exports from countries in transition. The lack of such access could in the long term substantially limit the ability of States to make timely repayments on loans from international financial institutions.

Ukraine hoped that WTO would create a sound legal basis for the expansion and diversification of international trade and economic ties by according each State equal rights and opportunities to protect its interests in the multilateral trading system. It looked forward to joining the General Agreement on Tariffs and Trade (GATT) and WTO, probably in 1997. At the same time Ukraine would welcome an easing of the anti-dumping policy on the part of the contracting parties of WTO and a lessening of the restrictions on the transfer of advanced technologies to economies in transition, and it hoped to retain the status of participant in the generalized system of preferences.

Ukraine welcomed the results of the ninth session of UNCTAD, which would strengthen the role of UNCTAD as an effective instrument for promoting the integration of developing countries and economies in transition into the world economy and the international trade system. It believed that support for economic reforms in economies in transition should not be to the detriment of developing countries. In the spirit of the Cartagena Agreement and also of General Assembly resolutions 50/95 and 50/120, his delegation believed that in the long term the successful efforts of the economies in transition would do much to promote international development and the strengthening of peace and security.

Mr. AARDAL (Observer for Norway) said that globalization of the economy was becoming increasingly significant as the provision of official development assistance declined. Globalization offered the possibility of economic growth to all countries; however, those unable to take advantage of the opportunities it provided ran the risk of exclusion and marginalization. The channelling of trade to the poorest parts of the world was therefore

increasingly important for achieving development. Within the United Nations system, UNCTAD had a particular mandate in that regard.

Norway was generally satisfied with the outcome of the ninth session of UNCTAD. It felt that the new complementary and cooperative role of UNCTAD vis-à-vis WTO was a solid and durable platform for the future work of UNCTAD. It fully supported the new focus areas of UNCTAD, the streamlined and reduced intergovernmental machinery, and the new planning and control mechanisms. It appreciated the increased focus on the least developed countries, although it would have liked an even stronger focus on those countries, especially in the area of technical cooperation. The session offered proof that reform was possible; the overall satisfaction of all geographical groupings augured well for the successful implementation of the reforms adopted.

Mrs. WRONECKA (Poland) said that trade and development were of the greatest importance to all countries undergoing transformation from a command economy to a market economy. Market openness boosted domestic competitiveness, which in turn influenced the dynamics of the restructuring process. Poland therefore welcomed the activity of the United Nations in promoting the development of the world economy and trade.

Her delegation fully supported the reform process of UNCTAD. The globalization of production and liberalization of trade offered opportunities to all countries and enabled developing countries to play a more active role in the world economy. The crucial challenge was to create the conditions in which world investment and trade flows would help to bridge economic and social disparities among and within nations. Close cooperation between WTO and UNCTAD would facilitate world trade as an important factor for sustainable development.

Most countries undergoing economic and social change needed external support for national efforts. The reforms Poland had embarked upon in 1989 had yielded results: a solid foundation had been laid for further sustainable development. Poland's association with the European Union and membership of the Organisation for Economic Cooperation and Development (OECD) was very beneficial in that respect.

Mr. NAZARI TAJABADI (Observer for the Islamic Republic of Iran) said that the intergovernmental machinery of UNCTAD must be strengthened to allow it to assume a more concrete role in the integration of developing economies into the world economy and the international trade system. While recognizing the

important role of UNCTAD in meeting the special needs of land-locked and transit developing countries, his delegation felt that the initiatives and activities of regional commissions and subregional organizations should also be taken into consideration. His Government attached great importance to regional cooperation in Asia and the Pacific and believed that the expansion of land transport linkages in Asia was pivotal in order to promote the economic and social development of the region through the expansion of trade at various levels. In that context, Iran had been creating and expanding road, rail, air, sea and communications links with the newly independent central Asian States by investing in multi-billion dollar projects over the past three years. Those projects offered alternative access to the major seaports on the Persian Gulf and created a new trade route linking Europe and South-East Asia. In the case of Iran, all the improvements had been made thus far with domestic resources. Further efforts, however, would largely depend on the receipt of adequate financial and technical support from the donor community and international financial institutions.

Ms. VON ROEMER (International Confederation of Free Trade Unions (ICFTU)) said that the sixteenth World Congress of ICFTU, which had brought together over 1,000 trade unionists from about 160 countries, had had as its main theme the challenges posed to the trade union movement by the globalization of the economy, including inhuman working conditions, child labour, bonded labour and attacks on the trade union movement. Trade unions supported the expansion of trade and investment, as they could stimulate growth, help defeat world poverty and raise living standards for all peoples; however, those goals needed to be accompanied by agreed standards to ensure that the benefits were spread to all. The World Congress had been unanimous about the need for a social clause, which was especially important for developing countries because they were the most vulnerable. A social clause would discourage trade protection and encourage a more sustainable process of foreign investment by transnational corporations, bringing increased benefits to host countries and a more even growth in world trade, through a gradual rise in the purchasing power of wages. The political authority of WTO, and thus the multilateral framework for open world trade, needed to be strengthened.

(c) FOOD AND AGRICULTURAL DEVELOPMENT (E/1996/70)

Mr. WEIBGEN (Food and Agriculture Organization of the United Nations (FAO)), introducing the report on the review and analysis of agrarian reform and rural development (E/1996/70), said that the principal focus of the World Conference on Agrarian Reform and Rural Development and its Programme of Action had been the eradication of poverty. The strategies for rural poverty eradication outlined in 1979 and those developed at the World Summit for Social Development in 1995 were very similar, but what had changed was the perception of how and by whom those strategies should be carried out. The report was a tool by which countries could examine, fine-tune and reorient their rural development efforts. It focused on member nations' experience with political and economic liberalization and stressed the need for accompanying institutional reform. The benefits of political and economic change could not be transmitted to either national economies or individual households without the support of educational, environmental, technological, institutional and political reforms. The report demonstrated that those ideological and systemic changes were of the greatest significance to agrarian reform.

Many of the centrally planned economies were now economies in transition and at the same time a number of developing economies in Asia and Latin America had joined OECD and were considered models for others to follow. Because of the renewed interest in the private rights of citizens to intellectual as well as physical property, agrarian reform had taken on a new meaning. Member nations were almost universally turning to the market as a final arbiter of the allocation of rural goods and services. Economic liberalization was accompanied by political liberalization; policy makers in member countries were increasingly realizing the importance of civil society for the achievement of national development goals.

The report concluded by outlining the steps to be taken to ensure stronger analytical presentation in subsequent reporting. Nearly 80 nations had participated in its preparation, and it was expected that there would be near-universal participation by the end of the century.

Sister Mary Theresa PLANTE (Observer for Franciscans International) said that Franciscans International represented a group of dedicated people with a long history of living and working at the grass-roots level in many countries. It agreed with the comments made in the report (E/1996/70) regarding defence

expenditure, conflict and world poverty, and it emphasized that the presence of land mines continued to have an effect long after wars were over, preventing land from being used for agriculture. Regarding section 4, Women in agriculture and rural development, it encouraged Governments to go beyond the concept of the feminization of poverty and look at the feminization of policy. The Fourth World Conference on Women had referred to the reality of women working in rural areas and the obligation of Governments to facilitate change.

Franciscans International called for rural life to be more stable, viable and attractive so as to slow down migration to the cities. It believed: that concerns regarding agrarian reform and rural development should be part of the framework for the First United Nations Decade for the Eradication of Poverty; that good governance should be taken into account when dealing with agrarian reform and rural development; and that the root causes of the lack of food sufficiency needed to be continually researched.

The PRESIDENT suggested that the Council should take note of the report in document E/1996/70.

It was so decided.

The meeting rose at 4 p.m.